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Kolste bill requires health insurers to justify increases

MADISON – Rep. Debra Kolste (D-Janesville) will introduce a bill to require hikes in health insurance premiums to be publicized, reviewed and justified. Sen. Chris Larson (D-Milwaukee) is the bill's senate co-author. The reasons behind the bill are to slow the rapid increase in health care costs and require insurers to justify rate hikes.

Kolste and Larson noted that the Wisconsin Office of the Commissioner on Insurance has not rejected an insurance rate hike since passage of the Affordable Care Act.

"Rate increases of up to 40 percent have been rubber-stamped by the Walker Administration and Wisconsin has the fourth-highest health insurance rates in the country," Kolste said. "People in Wisconsin may pay up to \$1,000 more per year for insurance than in neighboring states."

She noted that under the current system, insurers don't apply for approval before increasing rates. The companies file the new rates with the Office of the Commissioner on Insurance within 30 days of putting the increases in place.

The cost of health care has risen much faster than the rate of inflation, Kolste said.

"The higher rates in Wisconsin are essentially a tax we pay for living in the Badger State," Kolste said. "My bill requires transparency. It makes the insurers spell out why the higher rate is justified. It allows the public to get involved by requiring public hearings."

Kolste's bill:

- Requires 60-day notice to consumers of rate increases.
- Requires public hearings for increases of more than 10 percent.
- Grants the Insurance Commissioner the power to reject increases not justified by increases in actual medical costs.
- Requires that all rate increases be published
- Required prior authorization by the Insurance Commissioner before imposing rate hikes.
- Requires insurers that claim increased medical costs as a justification for rate hikes to make public their negotiated rates with providers."

"If the high rates in Wisconsin are justified, the insurers should not fear the process," Kolste said. "But we shouldn't pay higher health insurance costs just because our state chooses not to protect consumers."

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